

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2012-57-E - ORDER NO. 2012-208

APRIL 3, 2012

IN RE:	Petition of Duke Energy Carolinas, LLC for)	ORDER GRANTING
	an Accounting Order to Defer Certain)	PETITION FOR AN
	Capital and Operating Costs Incurred for the)	ACCOUNTING ORDER
	Buck Natural Gas Combined Cycle)	
	Generating Plant and the Bridgewater Hydro)	
	Generating Plant)	

Pursuant to S.C. Code Ann. § 58-27-1540 (Supp. 2011), this matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition of Duke Energy Carolinas, LLC (“Duke” or the “Company”) to issue an accounting order for regulatory accounting purposes, authorizing the Company to defer in a regulatory asset account certain post-in-service costs that are being or will be incurred in connection with (1) the addition of the Buck Combined Cycle Generating Plant (“Buck”) and (2) the addition of the Bridgewater Hydro Generating Plant (“Bridgewater”). The costs Duke is seeking to defer are (1) the unrecovered incremental return and depreciation expense that are being or will be incurred in the months of December 2011 and January 2012 on the plant capital costs balance as of August 31, 2011; (2) the unrecovered incremental return and depreciation expense that are being or will be incurred from December 2011 through January 2013 on the plant capital costs expenditures subsequent to August 31 2011; and (3) the incremental non-fuel operation and maintenance (“O&M”) expenses that are or will be incurred from December 2011 through January 2013. The Company calculates

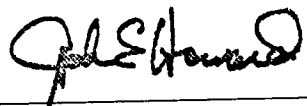
the cost of capital included in this deferral request to be \$8 million as allocated to SC retail operations, and the incremental non-fuel expenses associated with these new plants to total \$4 million as allocated to SC retail operations.

The Office of Regulatory Staff (“ORS”) has reviewed the Petition and does not object to the deferment of the costs. It states that these costs were not included in the base rates approved by Order No. 2012-77 in Docket No. 2011-271-E. ORS further states that its position is predicated on the basis that the issuance of an accounting order will not preclude the reasonableness of these costs from being addressed in a subsequent general rate case or other proceeding.

We grant the Petition, and adopt ORS’s position that such approval is on the basis that the reasonableness of these costs may be addressed in the future.


This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)